

EXTENSIONS OF REMARKS

Address by Hon. Lyndon B. Johnson, of Texas, to the National Convention of the American Legion, at Minneapolis

EXTENSION OF REMARKS

OF

HON. MIKE MANSFIELD

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Thursday, August 27, 1959

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the very thoughtful and penetrating address delivered today by the capable majority leader of the U.S. Senate, the senior Senator from Texas [Mr. JOHNSON] before the national convention of the American Legion, in Minneapolis. I commend a reading of the address to my colleagues, and I urge that they give it their most serious consideration.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

KEEPING THE PEACE

Commander Moore, officers of the American Legion, delegates, and distinguished guests, I come to you today fresh from an inspection trip through the heart of America's counterattack forces—the SAC base in Omaha.

It is unfortunate that I cannot describe to you all that I saw. I cannot. There are considerations of military security. And, like most of you, I am not a professional military man. I am a "citizen soldier."

But there is one impression I carried away with me that is unmistakable. It is that I will stake the finest bull on my Texas ranch that the best Nikita Khrushchev has cannot match what I saw yesterday.

The heart of America's striking force is strong—because of organization, men, and determination.

I wish I could say—in good conscience—that everything in America could be described in these terms. The unfortunate fact is that there are many fields in which we must "catch up"—a term that is unfamiliar with most of our people.

STRENGTH OF UNITY

But there is something even stronger than SAC itself. It is the unity and the will of the American people themselves. And that is why I am here to visit with you today.

The American Legion is held together by a common bond. Comrades all, we have shared in the experience of wearing our country's uniform.

I put on that uniform and went to the Pacific. That was in 1941 when, because we were not sufficiently prepared for an attack, we were taking a heartbreaking beating that—if I can help it—will never happen again.

The Legion is composed of men who did not stop serving their country when they took off their uniforms and put on civilian clothes. You realized that freedom—up to this point—has never been won by a single struggle.

And to that end, you banded together 40 years ago in memory of past comradeship and in anticipation of service to come.

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In the intervening years, you have welded together the unity and purpose of your Legion members and the inspiration and aid of the fine women of the Legion auxiliary.

The caliber and stature of your commanders—past, present, and, I am confident, in the future—exemplify the Legion itself.

A VOICE FOR A STRONG AMERICA

Men such as Comdr. Preston Moore are, have been, and will be an effective voice for a strong America. They have worked for a strong America. And they have worked for a strong Legion. Victory and success are their hallmarks. History will record the full accounting of their achievements.

In this connection, I'm happy to recall the majority support given by the U.S. Senate to the Kerr amendment to the Veterans Pension Act—for which I voted and which was strongly backed by the American Legion.

I am here today largely because of Preston Moore. He thought—and I knew—that I could learn something by this visit. It is our opportunity to exchange views on the most important issue before our people—the survival of freedom in this country.

Although both you and I have a direct interest in our Nation's defenses, I am not here to talk about military preparedness today.

It seems to me that there is another kind of strength which must be considered by Americans. And that is the moral and spiritual strength of our form of government and our order of society.

THE MAJOR ISSUE

All of us know the major issue in our world today: It is whether societies of free men can maintain themselves. Such societies are faced by the greatest threat to Western civilization since John Sobieski raised the siege at Vienna and Charles Martel crushed the Saracens at Tours.

America is confronted by a brutal power, a totalitarian power, a supremely confident power whose chief spokesman boasts openly that my grandchildren—and your grandchildren—will be Communists. And this same chief of government brags openly that missiles can be delivered on this Midwest city from submarines in Hudson Bay.

If that Hudson Bay threat was intended to scare this Minneapolis Legion meeting, I suggest it was a mistake. Someone fed the brainwashing computer the wrong card.

Within a few weeks the present chief of communism—Nikita Khrushchev—will visit our shores. He will be the official guest of the President of the United States—and in the field of foreign relations that means the American people.

THE BEST INTERESTS

There have been strong expressions of concern and doubt about the wisdom of this invitation. There are those who feel that Mr. Khrushchev's visit is simply an elaborate facade for a two-man summit conference—which has been his publicly expressed goal since he attained power. Mr. Khrushchev's planned itinerary certainly does nothing to dispel this feeling.

But at this point, the wisdom of the invitation is academic. Khrushchev will be here. The issue remaining is whether we conduct ourselves in such a way as to serve the best interests of America.

On this, we must—and shall—stand behind our President.

Personally, I have no fears that Mr. Khrushchev can contaminate the American people. We can take in stride the best

brainwashing he can offer, Marxist propaganda, threats of economic competition, limited war in the Far East, subversion in Latin America, submarines in Hudson Bay—or any other fine points of Soviet diplomacy.

In our lifetime, we have been through three wars, depressions and the ravages of cold war. Americans have been hardened to the realities of this world.

Our problem is how to see to it that Khrushchev will have a true picture of our country, a true picture of our people—and a true picture of our purpose.

PRISONERS OF HOPE

I hope that can happen. Because if it does happen that way, Nikita Khrushchev will return to the Soviet Union with his eyes wide open—and we will gain. We will gain because this Nation has no fear of the truth.

Within the satellite nations are millions of people, most of them prisoners of hope. And that hope must be sustained until the day of freedom becomes for them an actuality.

Mr. Khrushchev has objected to the resolution of the U.S. Congress concerning captive nations. In my opinion, the biggest captive nation in the world today, next to Communist China, is represented in the brainwashed people of Russia. And I strongly suspect that, included among the captives is the ruling class of the Soviets—that keep the rest of the people captive. For we tend to forget that a slave state puts shackles on its masters as well as its subjects. Those who rule are in turn ruled by the channels of information which are open to them.

It is doubtful whether a man in Mr. Khrushchev's position can have a true picture of the United States.

He may know about our military strength. He may know about our economic power. But there are many other things he can learn only by coming to our country and talking to our people.

UNITED DETERMINATION

I want him to know about America's willingness to fight for its freedoms.

I want him to know about America's united determination to preserve our independence.

And I want the Russian people to know about America's desire for peace—the Russian Army which fought so bravely as our ally in World War II; the Russian scholars, such as the Pasternaks and the brilliant Russian scientists; the ordinary Russian people who want, rather than an armaments race, only a few of the everyday consumer goods shown at the U.S. exhibit in Moscow. These are the ones who must ultimately feel the pulse and the heartbeat of America's deep desire for peace.

There are, of course, dangers in this visit to which we must be alert. But I believe our country can withstand exposure to those dangers. Americans are kindhearted; but they are not softheaded.

THE MARKED DECK

It would be tragic if we fell into the illusion that Mr. Khrushchev is coming here with a deal that would mean peace with honor or peace in our time. Because another man—a kindly, good man—once suffered that illusion, you and I had to spend many years in uniform defending our country and millions of people died.

Of course, Khrushchev would like to make a deal. Every dictator would like to make a deal—with a marked deck.

He would probably like to divide the world into two spheres of influence—with a nice, big slice marked out for the Soviet Union.

But the American people are not going to make such deal. We do not believe in a world divided into spheres of influence. We believe in a world in which the people have freedom of choice.

And so long as there is a Soviet sphere of influence which includes Hungary, Poland, East Germany and other satellites, no one can say that this is a world of free choice.

It would be tragic if we suffered from the delusion that Mr. Khrushchev can be charmed into changing his course. I do not know whether he would be amused or insulted by such a suggestion.

I do know that any Soviet official who has survived the Communist blood purges of the past 25 years is not to be beguiled like a schoolchild.

THE GREATEST TRAGEDY

But the greatest tragedy would follow if we came to the conclusion that this visit meant a thaw in the cold war. This is the delusion that could lead us into letting down our guard.

I believe in visits between the American and the Soviet peoples. I am a firm advocate of talking instead of fighting—where possible.

But I think the advice given to our ancestors to "keep your powder dry" was good advice—and applies with especial force today.

We should meet Khrushchev or any other Soviet official in good faith. We should listen to any proposals that are made. We should not permit Communist bad faith or Communist bad temper to tempt us into bad faith or bad temper.

But we should, we must, remember that a few kind words will not release Berlin. A few kind words will not free Hungary. A few kind words will not unite Germany. And smiles and quips—however pleasant—will not bring us the peace we desire nor change Khrushchev's determination to bury us.

The day of true peace can and must arrive. We have devised weapons of such fantastic destructive power that we must either live together or perish together.

That realization will come eventually to the Communists—as it has come to our people already.

THE JOB AHEAD

Until that day arrives, however, we cannot relax America's strength.

We must maintain adequate strategic striking power.

We must maintain adequate capacity to fight limited wars when they are forced upon us in remote corners of the globe.

And we must continue to help other people to remain free.

We do not ask other nations to come under our rule. We ask only that they remain independent.

But no nation will remain independent if we permit the balance of military power to shift to the Soviets. We cannot afford to be second best—even in weapons which we pray we never have to use.

This is the one field in which "second best" means last—and lost.

MAINTENANCE OF STRENGTH

We need not only be sure that we have adequate deterrent power to avoid nuclear war. We must also be sure that we have effective deterrent power against limited war—which might easily become a nuclear war. And this requires that we maintain our Army, Navy, Marine Corps, and Air Force in such strength that we can land at Beirut if we have to land at Beirut; that we can patrol the Straits of Formosa if we have to patrol the Straits of Formosa; that

we can keep the NATO shield intact; that we can deny enemy control of our sea lanes by submarines whether in Hudson Bay or the Caribbean, or on the convoy route to our overseas bases and overseas allies.

We do not live, merely to build weapons. There must be more to life than that.

The day must come when even the most fanatical Communist yields to the pressure for peace. And there are roads to that goal.

There have been a number of Soviet officials parading through our country during the past few months. They have made visits which have been reciprocated.

CRACKS IN THE IRON CURTAIN

Little has been gained from these visits in terms of specific proposals to relax tensions of the cold war. But much may have been gained in opening chinks through the Iron Curtain.

This is the direction in which true peace lies. If Khrushchev can visit the United States, it will be difficult to persuade other Soviet citizens that they cannot visit also.

And at every turn, we should confront Khrushchev and his fellow Communists with a demand to break through the Iron Curtain and let in the light.

We should beset the Soviets at every turn with demands to bring the Russian people the facts about us that have been kept from them. They may respond, if they wish, by presenting their propaganda to Americans.

RAYS OF TRUTH

In a land like ours where speech is free, our citizens are armed against propaganda. But in a nation where the ruling group controls not only speech but thought itself, a few rays of truth are devastating.

We are a people of basic beliefs.

We are a people of basic desires.

For our children we desire a better life than we have lived.

We believe in our country. We believe in our form of Government. We fought for it before and we will fight for it again, if necessary.

We will talk and we are prepared to negotiate, for we are a reasonable people.

But we will not talk surrender. We will not negotiate away freedom—for ourselves or others, now or ever. We never have; we never will.

This has been true of America's past.

It holds true today and forever.

These are the truths for which our forefathers died. Trusting in God and keeping our powder dry, these are the truths by which our children and grandchildren shall live.

International Association of Personnel Women To Celebrate 10th Anniversary Year

EXTENSION OF REMARKS

OF

HON. JOHN V. LINDSAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 27, 1959

Mr. LINDSAY. Mr. Speaker, in 1951, in Cincinnati, Ohio, a group of personnel executives met and founded the International Association of Personnel Women. During these past years, this organization has grown and it now has local affiliates in most major cities in this country as well as members throughout the free world. These women have dedicated themselves to furthering better

labor-management principles and to the advancement of modern personnel practices.

Next year, the International Association of Personnel Women will hold its 10th annual conference in New York City at the Statler-Hilton Hotel commencing on April 27 and continuing through April 30. I am very pleased that this event will be held at a site in my district and take this opportunity to welcome the officers and members of the International Association of Personnel Women and wish them success on the occasion of their 10th anniversary year.

Moving Migrants From Overpopulated Countries to Countries Where Man- power Is Needed

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 27, 1959

Mr. McCORMACK. Mr. Speaker, in the publication of the George Washington University Federalist, fall 1959, there appeared an article, entitled "An Episode in My Political Career of Which I Am Especially Proud: Moving Migrants From Overpopulated Countries to Countries Where Manpower Is Needed," written by our distinguished colleague from Pennsylvania [Mr. WALTER]. There is no man in the Congress of the United States or elsewhere who is better qualified to discuss or write about the subject matter of his article than my close and valued friend from Pennsylvania. In my remarks, it is a pleasure for me to include therein the article written by Congressman WALTER:

AN EPISODE IN MY POLITICAL CAREER OF WHICH I AM ESPECIALLY PROUD: MOVING MIGRANTS FROM OVERPOPULATED COUNTRIES TO COUNTRIES WHERE MANPOWER IS NEEDED

(By FRANCIS E. WALTER, Representative from Pennsylvania)

When the victorious Allied armies liberated Western Europe and entered Hitler's Reich, they found over 8.5 million displaced people. Part of that mass of humanity were slave laborers conscripted into Hitler's war machine. Part were the wretched inmates of concentration camps. Part were refugees from bombed cities and villages milling aimlessly around the countryside and camping under the open skies.

UNRRA (United Nations Relief and Rehabilitation Administration), with the active assistance of the military forces of the Allies, provided food, shelter, and assisted those who could be sent to their countries quickly. By 1946, the number of displaced persons who could not be sent home due to the fact that their homelands were overrun by Soviet forces and Soviet-installed regimes, was close to 1.3 million. It soon became evident that these people would have to be resettled outside of Germany and Austria.

IRO (International Refugee Organization) took over where UNRRA and the military left off. By the summer of 1951, over 800,000 displaced persons found new homes in countries which offered them resettlement opportunities.

However, in 1951, it was realized that with the expiration of IRO scheduled to occur at the end of that year, the problem of resettlement of refugees and displaced persons would not be fully and successfully resolved. More than that, another problem was facing the free Western World: "surplus population," an ugly definition, meaning that there were too many people in Western Europe for whom work and opportunities for a decent livelihood could not be found.

At the same time, many overseas countries—Canada, Australia, and several of the Latin American Republics—indicated their interest in acquiring new settlers in order to increase their agricultural and industrial productivity.

In the late summer of 1951, I gathered in my office a few officials representing various agencies of the U.S. Government and submitted to them a tentative plan calling for the creation of an organization designed not only to take over the functions of IRO with respect to the resettlement of refugees and displaced persons, but also build an efficiently operated machine which would stimulate and carry out migratory movements from Europe to overseas countries.

My idea was to create an intergovernmental organization, outside of the United Nations for the obvious purpose of eliminating Communist interference, and to offer to the countries of emigration and the countries of immigration efficient shipping services, as well as assistance in their selection of immigrants and their vocational preparation for migration.

In a series of sessions, which continued in my congressional office for about a month or two, my plan began to take shape and before the year 1951 was over, we succeeded in obtaining the cooperation of the Government of Belgium, which invited 27 governments to participate in an international conference which convened in Brussels, Belgium, in November 1951.

A provisional organization was created by the Brussels Conference for the purpose of "making arrangements for the transport of migrants for whom existing facilities are inadequate and who could not otherwise be moved from certain European countries having surplus population to countries overseas which offer opportunities for orderly immigration." It was further decided that the new organization would provide and arrange for land, sea, and air transportation, assume responsibility for the charter of ships, work out a shipping program and take over actions as may be directly related to these ends.

The name of the organization is the Intergovernmental Committee for European Migration (ICEM). Its headquarters are in Geneva, Switzerland, and its present director is Mr. Marcus Daly, an American industrialist and civic leader. He succeeded two distinguished American diplomats, the late Hugh Gibson and Harold H. Tittmann. I have served as the U.S. delegate at all of the semiannual sessions of ICEM's Council, the organization's governing body.

Since the Conference in Brussels established ICEM, 897,788 European emigrants (including 13,171 European refugees stranded in the Far East) went to 17 overseas countries where they were able to start a new life. In this figure are included both refugees and "surplus workers" who became useful workers in the lands which accepted them. Also included are 110,000 Hungarian refugees who fled Hungary in the aftermath of the 1956 revolution.

The emergency operation undertaken by ICEM in October 1956, in connection with the Hungarian revolution, and the ensuing exodus from Hungary has earned that organization recognition and praise of the entire free world. Practically overnight ICEM's

machinery sprung into action, and its helping hand was extended without delay and with the greatest degree of efficiency when and where such assistance was most desperately needed.

ICEM now comprised a membership of 29 nations of the free world. Since its inception, ICEM has spent close to \$200 million, of which \$72 million was contributed by the United States. What did this money buy? In addition to a wealth of experience, which would permit ICEM to expand its activities in the future and in addition to an imponderable but easily detectable capital of international goodwill, ICEM has created in close to one million hearts the feeling of happiness and purpose in living where war and misery had planted the seed of despair and hopelessness. But these humanitarian achievements do not tell the entire story of ICEM's usefulness. It should be stressed that ICEM is not solely a relief organization. By moving migrants from overpopulated countries to countries where manpower is needed, it achieves three purposes:

1. It relieves pressures on the U.S. immigration quotas by permitting European immigrants to resettle in countries other than the United States.

2. It relieves economic, social, and political pressures in European countries contributing to their stability, thus strengthening the free Western World.

3. It contributes to the economic development of overseas countries by supplying them with European manpower in the most desirable age bracket.

Foreign Firms Plague U.S. Firms

EXTENSION OF REMARKS

OF

HON. RICHARD M. SIMPSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 27, 1959

Mr. SIMPSON of Pennsylvania. Mr. Speaker, competition from foreign industrial firms, employing cheap labor, low prices, and American know-how, is plaguing more and more U.S. companies. Finally, the problem is on the very doorstep of Congress itself.

Just recently, I discovered that the CONGRESSIONAL RECORD, our own medium for recording debates, expressing views, and printing much of the data from which American history will be written, is being stitched with British wire.

Mr. Speaker, I grant that this is a relatively small matter in terms of money, but it illustrates how far foreign competition with American products has gone. In the first 6 months of 1959, all seven awards for CONGRESSIONAL RECORD binding wire appear to have gone to Holdwire, Ltd. During the second half, the Holdwire firm continues to obtain contracts. Some recent awards to the British company were as follows: July 23, 2,200 pounds; July 29, 3,000 pounds; July 29, 2,200 pounds.

Of course, our friends in London purport to favor the reciprocal lowering of trade barriers. It is interesting to speculate, however, on how soon we shall find that the proceedings of the British Parliament are stitched with foreign-produced wire or printed on American newsprint.

Mr. Speaker, the rate at which our manufacturers are losing markets, both at home and abroad, is truly alarming. I might point out that this result was foreseen by many Members who have sought to change our present foreign trade policies. Perhaps this small example in "our own living room," so to speak, will illustrate why the import problem calls for constant vigilance on the part of Congress.

Political Expediency Versus Educational Needs

EXTENSION OF REMARKS

OF

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 27, 1959

Mr. DENT. Mr. Speaker, those of us who are part and parcel of the political scene in this Nation can easily put our finger on the culprit that causes our public criticism and the loss of public regard—the culprit is expediency.

In the name of all that is fair and good and just, we use expediency to cover up our failure to be fair and good and just.

One need not go deeper into history than this present session of Congress to come up with some rather disturbing facts and conclusions.

Let us look at education. For the past decade we have heard about the school crisis and yet, with the school bells tolling the new school year this September, we hear the same talk of crisis and shortages in both schoolrooms and teachers. If anything, the bells are louder because the crisis is worse.

For the past 6 years there have been repeated warnings that Federal aid for education has become a desperate necessity. Schoolroom shortages have plagued us. Miserably low teachers' salaries have caused a dangerous shortage of well-equipped instructors for the Nation's youth. The Eisenhower administration has shown no enthusiasm whatever for a sweeping Federal program. It is the job of the States and the local communities, is the answer—even though the States and local communities have been unable or perhaps unwilling to measure up to the task.

American parents will awaken from their vacation time lethargy with the complaints of their youngsters of overcrowded rooms and harassed school authorities.

Let us see what some of our better known experts have to say on this subject. An article by Robert B. Cooney pointed up some of the thinking on this subject and also showed the weakness of substituting expediency for effort:

The classroom and teacher shortage has grown over the years even as the Nation debated first whether it existed and then what to do about it.

One turning point was reached when a 1955 White House Conference on Education, stacked in its selection of delegates against

Federal aid to education, unexpectedly decided there was a need for Federal aid.

Since then, school bills have come closer than ever to passage but have still foundered on such issues as civil rights, Federal control or plain politics.

Probably the chief obstacle has been business opposition. Federal aid to build schools has been fought by the U.S. Chamber of Commerce, the National Association of Manufacturers, and the American Farm Bureau Federation.

EISENHOWER SHIFTS POSITION

President Eisenhower has constantly shifted his position on the school problem. He once expressed himself as flatly against Federal grants for school aid.

However, Democratic proposals of sizable Federal grants inspired him to counter with proposals which emphasized bonds and loans. In 1957, Eisenhower could have helped pass a school bill if he had moved to change the votes of just three House Republicans. He remained silent.

In Congress, a coalition of Republicans and southern Democrats has sabotaged Federal aid to schools, the latter in part because more schools would mean easier desegregation and a quicker transformation of the South.

At present, such a coalition has had bottled up since June 8 in the southern-controlled House Rules Committee a 4-year \$4.4 billion Murray-Metcalf bill. It would raise teacher salaries as well as help build schools.

In the Senate, a labor subcommittee recently OK'd a 2-year \$1.1 billion program, a sharply reduced compromise move which provides for construction only.

However, even as the Democratic bill in the Senate was cut down as a compromise to improve chances of passage and came to resemble closely the Eisenhower proposal of 1957, it ironically came under the threat of veto.

Flemming informed his August 26 press conference the classroom shortage is a problem of considerable magnitude. But he told the same conference that the Democratic Senate bill is contrary to the President's fiscal policy.

The U.S. Office of Education reported a few days ago that an estimated 42.7 million youngsters will enter classes from kindergarten through the 12th grade this school year.

This is an increase of 1.75 million over last year.

Because of the shortage of classrooms, one out of every four in the total school population will be shortchanged in education.

The number of pupils whose education is being impaired in varying degrees by the classroom shortage is about 10 million according to Health, Education, and Welfare Secretary Arthur S. Flemming.

Flemming said recent reports on public school enrollment show there were 1,843,000 pupils in excess of normal school capacity last year.

These excess students were added to an estimated 6 million in crowded urban elementary schools alone and another 2 million or so in obsolete or inadequate buildings to arrive at the total of 10 million.

And these figures are understated, since the statistics leave out urban high schools and all rural schools.

The way in which overcrowding impairs education is reasoned this way: The desirable maximum class size is considered to be 30 pupils; if a class has 40 or 50 pupils, then everyone's education is hampered, not just that of the 10 or 20 "excess" pupils.

INDIVIDUAL ATTENTION EFFECTIVE

The effect of individual attention through smaller classes can be startling. Carl J. Megel, president of the American Federation of Teachers, was visiting a school in New York City earlier this year. A heavy snow-

storm that particular day cut attendance from the usual 45 pupils to 16. The teacher told of this incident:

"Mr. Megel, a very interesting thing happened today. A young lad, who has been a serious disciplinary problem, in this small class on this particular day, conducted himself in exemplary fashion and at the end of the day came to me and said: 'This is the first day that I have thoroughly enjoyed school.'"

If the problem of surplus students is handled simply by cramming more pupils into each classroom, the problem of the teacher shortage has multiple effects.

U.S. Commissioner of Education Lawrence G. Derthick had this to say a few days ago:

"The deficit of teachers will mean, in many communities, overlarge classes or the employment of teachers without adequate training, or both. In many instances, it will also mean curtailing the number of subjects offered."

Last year the Nation's elementary and secondary schools were short 182,000 teachers. This year, Derthick reported, the shortage will amount to 195,000.

TEACHER TURNOVER RATE HIGH

Derthick said the teacher shortage is intensified by a teacher-turnover rate of 10.9 percent. He said current studies show this rate to be more accurate than the 7.5 percent formerly used in calculating shortages.

Why are teachers increasingly leaving their profession?

Low salaries is the chief reason, according to Megel.

The head of the teachers, whose job requires him to keep in touch with trends around the country, discussed the problem in these terms:

"A school district which I visited in May offers a case in point. Out of 160 teachers, 34 well-qualified certificated teachers resigned their positions and indicated their decision of finding employment elsewhere."

"Low salaries, of course, still constitute the major reason for this exodus of teachers from their chosen profession."

"But, in addition to low salaries, the overcrowding occasioned by shortage of classrooms makes it impossible for the conscientious teacher to do a competent job in the classroom."

"Overcrowding increases disciplinary problems because teachers are unable to provide individual attention to so many boys and girls in such a few minutes of a class period."

Segregated schools, where they exist, add to the problem because they prevent the most efficient use of school facilities and teacher resources.

SCHOOL AGERS INCREASE STEADILY

The Nation's school-age population was 37.3 million in 1955. It rose 6 million to an estimated 43.3 million in 1959. This was a rise of over 16 percent.

By 1963 the school-age population is expected to increase nearly 13 percent, or by another 5.5 million, to a total 48.8 million.

Meanwhile, 10 million American schoolchildren are handcuffed in their educational opportunities.

Is it any wonder that some of us, both in and out of Congress, wonder if we are seeing and hearing straight when we hear and see the inexcusable doubletalk and lack of sincerity in our whole approach to the crisis in education?

The real threat of this inaction and political expediency is the threat to unity in this country. How can a nation so confused and in a sense, so inconsiderate of its own needs, hold out that hope to the world leadership that will lead us all to the promised land of peace, tranquillity and prosperity.

How can an American explain the President's veto of two housing bills, each of which contained sums of money to be loaned to our institutions of higher learning for the purpose of building needed dormitory space to relieve conditions described by some observers as being close to a national disgrace, while at the same time approving a foreign development fund expenditure of some \$30 million, to build dormitory housing for the University of Burma.

Whom do we fool with this silly and almost idiotic procedure? Do we fool the American workmen, businessmen, or farmers when the President talks about refusing to sign a \$1 billion a year aid to education bill, while at the same time, he demands a higher appropriation for so-called foreign mutual aid which he has had amended to give the receiving foreign countries the right to spend the whole aid program for education. This is no fairy tale, it actually happened. The President threatened to veto the Murray-Metcalf bill for \$1,100 million yearly aid to American education while at the same time threatened to call Congress back into special session, if it failed to up the multibillion-dollar foreign aid bill.

The question was, who was fooled? The answer is simple—All of us are fooled and especially the harassed taxpayer who too often condemns the teachers and the school system for taking too much out of his tax dollar.

The best dollar's worth we buy is education. Recently, we had an example of how easily the American public can be fooled by the clever and sometimes sinister activities of the hired specialists whose job it is to mold public opinion.

In the face of the highest military budget and the lowest people's needs budget in history, we were led to believe that if we passed a killer labor bill and got rid of Jimmy Hoffa, everything would be all right.

The sun would shine again, cats would purr, dogs would whine, clouds would disappear, and American enterprise could prosper and grow rich.

The only trouble with that is that the so-called tough bill has passed, and yet the schoolrooms are still crowded, our teachers are still underpaid and although Jack Parr still has his show, the salaries of southern teachers are only 50 to 60 percent of our northern teachers while the southern coalition of Congress smiles broadly at the maneuvering that has gained them the greatest victory in all of the years of their political control of congressional committees.

The southern Democrats and northern Republicans have combined to put this program on this year's list of congressional achievements:

First. Bottled up the aid to education bill.

Second. Killed the civil rights—desegregation—bill.

Third. Passed the Landrum-Griffin bill—described by GOP leaders as labor "killer" bill.

Fourth. Veto of two public and education housing bills.

Fifth. Veto of Army Engineer approved and planned flood and water control.

Sixth. Increased gasoline tax 1 cent to meet higher banker interests on loans for the highway program.

Seventh. Increased interest rates for the benefit of bankers and moneylenders increasing short-term interest from a low of three-fourths of 1 percent under Truman to over 5 percent under Eisenhower—the increased interest payments alone would pay for two Murray-Metcalf aid to education bills.

Eighth. Passed amendments to foreign aid allowing foreign countries to keep money loaned for aid purposes if they put it into education, while at the same time killing American aid to education here at home.

Ninth. Vetoing any bills dealing with area redevelopment.

Tenth. Refusing to allow deduction in personal income tax to help pay for educational and ordinary living requirements.

Eleventh. Refusal of coalition to pass bill extending and revising social security, unemployment compensation, and so forth.

Twelfth. Continuing a disastrous farm program that has allowed certain persons and groups to receive millions of dollars in the name of farm subsidy.

Last, but not least, the covering up of all of these failures by shouting "crook" at labor and bringing Khrushchev over to the United States in a drive to create a trade bargain that will further load our domestic shelves with cheaper made goods and in the end, further depress our American way of life.

All throughout this year's sessions there appeared to be a feeling of no reality. One keeps asking himself, is it really true—no education bill, no housing, no public works, no cut in military, no disclosure of known military purchase frauds and waste, no civil rights—all this, and work in Congress on Labor Day and next weekend, Khrushchev for lunch.

Of course, we will have a better record next year—why every politician from Ike's doors will be out lamenting the status of our educational system, the plight of the unemployment, the heartaches of the aged, the need for housing, the waste in Government—oh, yes, and above all the great rights of labor and the underpaid schoolteacher.

This will be the off-season talk, but come January and a new session, what will we get, I will tell you, the coalition.

Restrictions on Federal Interest

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 27, 1959

Mr. PELLY. Mr. Speaker, President Eisenhower has sent up a message requesting legislation to remove the lim-

itation which the law now imposes on the rate of interest at which the Federal Government is allowed to borrow money for more than 5 years.

If such legislation is not enacted, the Democratic leadership of Congress must take full responsibility for their failure to heed the President.

The Treasury can pay whatever rates are required by security market conditions for short-term loans, but the 4¼ percent ceiling on 5 year or more maturities handcuffs the Treasury in its debt management responsibility.

Seventy-six billion dollars' worth of Federal securities will come due within the next year. Unless the Government is able to sell long-term bonds, the under 1 year Federal debt will climb to \$100 billion. No responsible official would allow such a huge short-term liability to be created which in a crisis the nation might be asked to meet. It is a dangerous situation and fiscally irresponsible for such a condition to be forced on the Treasury. Congress should face up immediately to the debt problem.

It is particularly desirable to adjust the rate on savings bonds. This form of government loan is anti-inflationary and the patriotic citizens who invest their savings in this security in all fairness should be paid a rate of interest equal to that paid by private savings banks.

Mr. Speaker, I realize the political implications, but here is a case where President Eisenhower says the administration is willing to assume full responsibility for managing the Government debt if allowed to do so free from artificial restrictions.

Hope Deferred: Public Welfare and the Blind

EXTENSION OF REMARKS

OF

HON. WALTER S. BARING

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 27, 1959

Mr. BARING. Mr. Speaker, many of us have introduced bills during the present session of Congress dealing with our social security and welfare system. I wish to take this opportunity to call the attention of the Members of this House to a book which I have just read and which I believe every Congressman concerned with these issues will want to read.

The book is "Hope Deferred," written by Prof. Jacobus tenBroek and Floyd W. Matson, of the University of California, and published recently by the University of California Press.

Although its subtitle, "Public Welfare and the Blind," indicates the specific subject matter with which the book is concerned, "Hope Deferred" goes far beyond that special province to shed light on many of the most critical and vexing problems of government today. It deals directly, for example, with the issue of

federalism: with the question of what in truth the relationship is—the respective rights and powers—of the State and National Governments under our system. The book deals no less directly with the sensitive issues of congressional-executive relations, which are more than ever in the forefront of our attention. Congress now possesses various committees, such as the Committee on Legislative Oversight, for the purpose of reviewing the work of executive agencies; still others of our committees are empowered to seek information from the executive. Most recently of all, the courts have made a renewed effort to define the role of congressional committees generally in relation to the executive branch. On all of these pressing and perennial problems "Hope Deferred" has a close and instructive bearing—not least of all in showing how Congress has come increasingly to exercise a reviewing and supervisory, rather than an initiating, role in developing our public programs and seeking to hold them to responsible account.

On still a different level, this book also casts new light on the relationship of the individual citizen, whether organized or unorganized, to the great programs of welfare and security which have been erected in our country in recent years—as well as his relationship to the executive agencies which administer those programs and the legislative machinery which enacts them.

Perhaps the most signal service provided by this book lies in its demonstration that our entire system of social security, ever since its adoption in 1935, has been the storm center of a continuous struggle between Congress and the executive branch of the Federal Government, in which two theories of the nature of social security have been in direct conflict. On the one hand officials of the social security administration have adhered to a policy of subordinating public assistance to the preferred concept of social insurance, on the assumption that those receiving public aid are a residual element to be minimized and disparaged: a policy utterly barren of any constructive element. This policy is the direct descendant of the medieval poor laws and workhouse, and has preserved that outmoded spirit through the imposition of a rigorous means test—a virtual pauper's oath—which effectually discourages the blind and the disabled from rising above the poverty and dependency that have been the requirements of eligibility for the program. Moreover, the executive theory has sought to enforce absolute Federal control over the assistance programs of the States and to disallow any departures, however legitimate and progressive, from its own administrative precepts—while at the same time permitting the Federal administrator the broadest latitude of discretion in ruling upon the programs. By contrast, Congress has consistently expressed a very different and opposed theory of public assistance, and moreover has held to it despite repeated reversals and opposition by the executive agencies: a theory which has sought to introduce constructive elements into the

program, which while placing a floor under relief permits the individual States complete freedom in devising liberal provisions of their own, and which above all is conscious of the need to maintain firm legislative control over the system.

In specific terms, "Hope Deferred" is a study of the most significant social provisions established for the blind over the past generation, most notably the programs of public assistance and vocational rehabilitation. The harsh point of the title is that, despite a number of genuine advances, the hope of the blind men and women of America for a recognition of their real capacities and needs is still deferred in both of these crucial areas. And I may add that there is another deferred hope which emerges from this book: the hope of Congress to have its will and intent, as expressed in some of the most important legislation of our time, carried out in the face of persistent hostility by appointive administrative officials.

Just as significant, I believe, is the evidence this book provides of the pressing need for legislation such as that contained in H.R. 14, which I introduced in the present session, and which was subsequently contained in some 60 bills submitted in the House, along with a similar bill introduced by Senator KENNEDY, of Massachusetts, and 32 other Senators: legislation expressly designed for the purpose of protecting the right of the blind to organize and to be consulted by Federal agencies in the conduct of programs for their welfare. Our bill recognizes the fact that independent organizations of the blind, as opposed to agencies for the blind, have in the past been systematically excluded from consultation in the development and administration of such programs, and indeed that these organizations have found themselves the targets of harassment and threat on more than a few occasions by officials of public agencies making use of Federal funds in their programs. The right to organize, in the case of such disadvantaged groups as the blind, is practically tantamount to the right of free speech and self-expression; and, by the same token, the right to consultation for the blind constitutes a right to be heard in the expression of their needs.

Although "Hope Deferred" does not deal directly with this legislation, it furnishes a convincing argument for it by exposing the negative and backward policies of aid and rehabilitation for the blind which might easily have been avoided if representative organizations of the blind themselves had been brought in for consultation in the formative stages.

On the same score, the opening section of the book in particular should be required reading for all administrators and workers in programs for the blind; for it clearly exposes the false stereotypes about the nature of blindness which have been largely responsible for these mistakes in policy and administration. More affirmatively, the authors draw upon the extensive literature of medical science and social science for a realistic appraisal of blindness and of the capabilities of blind persons.

Their conclusion is "that the blind as a group are mentally competent, psychologically stable, and socially adaptable; and that their needs are therefore those of ordinary people, of normal men and women, caught at a physical and social disadvantage." Like other persons the blind "have a need for shelter but not a need to be sheltered: a need for adjustment and acceptance but not a need for toleration or patronage." The authors propose that every social program and institution for the blind be judged by the straightforward test of "whether it meets or defers meeting these needs; whether it presupposes the normality and equality of persons who are blind or presumes their abnormality and inferiority." It is a shocking commentary on the state of our welfare system that few if any of the numerous programs described in "Hope Deferred" come off with a passing grade when put to that test. This is notoriously the case with the sheltered workshops presently supported by the public rehabilitation program, wherein neither the goals of vocational rehabilitation nor the standards of fair employment are remotely approximated. The situation is not much improved in the remaining areas of rehabilitation, and is only beginning to be reformed in public assistance—where the existence of the means test and other onerous conditions of eligibility continues to frustrate the objectives for which the system was devised by Congress.

The authors of "Hope Deferred" are particularly well qualified to undertake such broad examination of public welfare as it affects the blind. Professor tenBroek—who is well known to Members of both Houses for his many articulate appearances in committee hearings—has been for nearly 20 years the president of the National Federation of the Blind, which represents affiliated statewide organizations of the blind in all but four of our States and is almost certainly the largest voluntary association of blind people in the world. Having lost his own sight in childhood, Dr. tenBroek began to play a significant role in organizations of the blind while still a very young man. He helped to organize the California Council of the Blind in 1934, and was the principal founder of the national federation 6 years later. In 1950 he was appointed to the California State Board of Social Welfare, a position in which he still serves and which has given him a solid background of administrative experience in all aspects of public welfare. What is most remarkable about all this is that these manifold activities are only avocations for Dr. tenBroek, whose main career is that of a scholar and teacher. At present he is chairman of his department at the University of California, where he has built a national reputation as a constitutional scholar. He has earned five degrees, most of them in law, and in addition to the present book has written two other substantial volumes and more than 50 articles on various problems of Government and welfare. It would indeed be difficult to find a man anywhere in the land more qualified to write on the

particular public issues with which "Hope Deferred" is concerned.

Mr. Matson, who is also a member of the faculty of the University of California, is himself experienced in government and administration as well as broadly trained in the social sciences. He served as a Government analyst under General MacArthur during the occupation of Japan, and later was the administrator of a University of California educational program conducted for our military services in the Far East. He has been closely associated with the National Federation of the Blind for several years, and was a coauthor with Professor tenBroek and E. N. Barnhart of an earlier book, "Prejudice, War, and the Constitution," which 5 years ago won the highest award in political science, the Woodrow Wilson Foundation prize, as the best book on democracy and government.

"Hope Deferred" is, in my view, an equally significant contribution to our understanding of democracy and our knowledge of government. It is my earnest hope and belief that the book will serve to fortify Members of Congress in their efforts to create and maintain a sound system of public welfare; that it will bring an end to the opposition of professional and public welfare administrators to these constructive purposes; and finally that it will be instrumental in giving the general public a true picture of the capabilities of our blind citizens for normal lives and productive careers in the mainstream of American society.

Can We Set "Safe" Tolerances for Cancer-Inducing Agents?—Comments by Dr. Harold F. Blum of National Cancer Institute

EXTENSION OF REMARKS

OF

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 27, 1959

Mrs. SULLIVAN. Mr. Speaker, a few days ago the Senate, on a routine call of the calendar, and without a record vote, passed a far-reaching bill on the use of coal-tar colors and other coloring substances in and on food. It is S. 2197, the proposed Color Additives Amendments of 1959, to authorize the establishment by the Food and Drug Administration of safe tolerances for coal-tar or other coloring substances which are not harmless under the terms of the Food, Drug, and Cosmetic Act of 1938.

Demands for such legislation have been increasing among food manufacturers as a result of a combination of court decisions on the one hand and of new testing techniques which now disclose that a number of coal-tar colors used for years under the impression they were harmless no longer can meet that requirement.

The Department of Health, Education, and Welfare has urged enactment of legislation such as contained in S. 2197, and experts from the Food and Drug Administration, the Senate Committee on Labor and Public Welfare, and representatives of the food and chemical industries sat down to draft mutually acceptable amendments to the bill as originally introduced. I am informed no hearings were held on this legislation, however. Now that it has passed the Senate, I understand efforts are being made in behalf of the food and chemical industries to have it scheduled for early action by the House Committee on Interstate and Foreign Commerce.

CONGRESS NEEDS TO BE INFORMED ON TECHNICAL MATTERS INVOLVED

Under the circumstances, Mr. Speaker, I think it is important that all of us who are interested in the issues this legislation presents should inform ourselves on the details of this legislation. I am reminded that only last March we had a prolonged debate and rollcall vote on special legislation on the use of an other-than-"harmless" coal-tar color, Citrus Red No. 2, on the skin of oranges. Many of us had strong misgivings about the authorized use on a food product of a coloring substance which is not harmless, even though we were assured it is safe in the manner and in the volume used on oranges.

Mr. Speaker, although I took an active role in the legislative drive which led to the Food Additives Act in the last Congress, and although I spoke on and voted against the Citrus Red No. 2 bill we passed in March, I am the first to acknowledge that I am not a scientist, not a chemist, not a physiologist—and that on these complex technical issues we who are not scientists must weigh and balance the conflicting views and statements of people who do have technical competence.

I am always trying to find reliable scientific information in this field of food chemistry but the difficulty is to be able to understand it when it is available. In this connection, a good friend of mine from St. Louis recently suggested that I look into the studies of a physiologist of the National Cancer Institute who had, she said, published an outstanding paper on the cumulative effects of certain carcinogens.

For the information of the Members, Mr. Speaker, I now include as part of my remarks in the CONGRESSIONAL RECORD the letter which I wrote to Dr. Harold F. Blum of the U.S. Public Health Service's National Cancer Institute and his reply, both of which are self-explanatory and, in the case of Dr. Blum's letter, well worth reading, I believe:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 17, 1959.
DR. HAROLD F. BLUM,
National Cancer Institute, National Institutes of Health, Bethesda, Md.

DEAR DR. BLUM: A friend of mine in St. Louis, who is a very active member of the St. Louis Consumer Federation, has written me that she thinks your article in the June issue of American Scientist is the best answer to the question of whether tolerances should be set for coal-tar colors in foodstuffs. She

warned me, however, that the article is very technical.

Could I have a brief statement in as non-technical language as possible on the dangers of allowing continued use in or on food—even in very low amounts—of coal-tar colors found not in fact to be "harmless." I am interested in this from the standpoint of overall color legislation and such special bills as the one to permit continued use of Yellow 3 and 4 in butter, etc.

With best wishes, I am,

Sincerely yours,
LEONOR K. (MRS. JOHN B.) SULLIVAN,
Member of Congress, Third District of Missouri.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
PUBLIC HEALTH SERVICE,
Bethesda, Md., August 25, 1959.
Hon. LEONOR K. SULLIVAN,
House of Representatives,
Washington, D.C.

DEAR MRS. SULLIVAN: This is in answer to your letter of August 17, in which you refer to my article in the June issue of American Scientist, and its bearing on the question of tolerance for coal-tar colors in foodstuffs with regard to cancer.

The article (Quantitative aspects of cancer induction and growth; as illustrated in carcinogenesis by ultraviolet light) is based on experimental studies of cancer caused in mice by repeated doses of ultraviolet light. It permits certain conclusions to be drawn regarding the origin and growth of cancers induced in this way. Since comparable studies have not been made using coal tar derivatives or other substances as cancer inducing agents, I cannot say with complete certainty that the same conclusions apply. But what evidence exists, suggests that continued dosage with such agents produce similar results, and I think that until further evidence is forthcoming we are justified in assuming the cases to be parallel.

If this point of view is adopted, cancer induction is to be regarded as a cumulative process which begins with the first dose of the cancer-inducing agent. Whether the cancer will reach detectable size within the lifetime of the animal in which it is induced, must depend upon how fast the cancer grows. Thus, a cancer induced by a single or a few doses of the agent may grow so slowly that it will never be detected, and of course will not seriously affect the animal. If the dosage is continued, however, cancer growth will speed up, and the cancer will reach detectable size before the animal dies. In the case of cancer induced by the more effective chemical agents, a single dose, if large enough, will result in a detectable cancer; but we do not have adequate knowledge of the effect of repeated small doses.

It is probable that there is a "threshold dose" for every cancer inducing agent, that is, a minimum dose below which no cancer is produced; but you can see that it would be very difficult to determine such a threshold if it exists. All one could hope to say would be that a given small dose did not produce cancers in a given kind of animal—say the mouse—within the lifetime of that animal. But one would be without any basis for assuming that this minimum dose applied to any other kind of animal—say man. Thus I cannot see how we have any sound basis for assigning tolerance doses or tolerance levels for cancer-inducing agents. I think this must be the case, whether or not the agent in question produces results exactly comparable to those produced by ultraviolet light.

Viewed in this way it would seem that the only practical answer would be to keep any substances known to induce, or suspected of inducing cancer at as low levels as feasible. The assigning of tolerance limits—which

must necessarily be arbitrary—can only give a false sense of security.

I must point out again that these conclusions are, for the most part, based on studies of an agent other than those to which you refer specifically in your letter, and hence may not be completely justified. But until experimental studies have shown that similar relationships do not hold for chemical substances of the kind in which you are interested, I think one is justified in assuming that they do.

I hope that this brief statement will have made my point of view clear. The details of the argument, summed up only briefly in the article you mention, are too technical to present in short space. What I have said here, follows, I think, the experimental data, without bringing in theoretical points that might be more open to question.

I hope that this brief discussion will have answered your questions satisfactorily, but if there are points which I can help to clarify further, I shall be pleased to insofar as I am able.

Sincerely yours,
HAROLD F. BLUM,
Physiologist, National Cancer Institute.

Special Report

EXTENSION OF REMARKS OF

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 27, 1959

Mr. DENT. Mr. Speaker, although I have been very busy with the committee working on the labor legislation, I have tried to pick up a few pertinent facts on the trade issue.

It seems to me that in our desire for investment and trade profits we are completely overlooking the disaster lurking in the shadows of unemployment, lost jobs in production industries, and the apparent unawareness of labor, Main Street, and the smaller manufacturers.

Recently one of our leading metropolitan newspapers, the Pittsburgh Sun-Telegraph, Wednesday, August 19, 1959, published an editorial entitled "Labor Awakening." I present the editorial verbatim:

Organized labor has, in a large measure, in recent years been responsible for supporting the Rooseveltian policy of reciprocal trade agreements which have worked out so disadvantageously to the United States.

Already one effect of these treaties is that last year as many automobiles were imported as exported, and the United States is importing such a product as steel.

The real sufferer from these treaties, agreements, quotas, exchange arrangements, etc., is the American worker.

For many years conservatives have been cautioning labor that they have embarked on a dangerous course when their supported political measures are disadvantageous to them. But, having adopted labor internationalism, they would not retreat.

However, some unions are beginning to realize their peril. What they call imports from sweatshop countries have always been coming in from these same sweatshop countries.

The only difference was that during the war and the early postwar years businessmen were afraid to go to those countries, invest American capital in them, and then ship the

goods back here to compete with the American worker, who generally lost out.

It is interesting to note that the great free trade unions, the International Ladies' Garment Workers' Union; the Amalgamated Clothing Workers; the United Hatters, Cap, and Millinery Workers' International, and the Textile Workers, are leading in this reconsideration of a policy that has always been disadvantageous to the American worker.

A few points need to be made concerning this:

1. Most mass-production work can be done as efficiently by low-wage workers as by high-wage workers. Therefore, unless the high-wage worker is in some manner protected, he will outprice himself.

2. In the semiskilled industries the ability and efficiency of the workers play a small part in the total product; the bigger part is contributed by the machine, which can be operated as well by less-efficient workers, thus making the product cheaper to sell in the American market.

3. Since the Roosevelt regime, everything has been done to make the phrase "Buy American" unpopular, with the result that Americans buy what is made in Hong Kong or Japan or Czechoslovakia as readily as they buy American goods.

It is nonsense for American unions to believe that they can solve this problem by stimulating campaigns in other countries to increase wages there. They will be told to mind their own business.

Not all standards of living are the same, and not all people approve of the American standard of living, which includes many inflationary factors.

The soundest protection against the dumping of cheap goods into the world's greatest market is a protective tariff—and it would be startling, but it is foreseeable, that American labor will come to that.

For the record I want to put this important message before the Congress and if I could, before every worker, employer, banker, and professional individuals in this country.

The warning contained therein is one that none of us can overlook. There is no secret or mysterious formula for national prosperity. The answer is simple—production with wages sufficiently high to meet the costs of living, pay doctors and hospital bills, buy insurance, shop on main street for necessities and a few extra luxuries, keep a savings account, buy and maintain a car, maybe a small boat, send your kids to school, take a 2-week vacation, keep your church and charities obligations, and last, but not least, buy a radio, refrigerator, TV, washer-dryer, freezer, air conditioner, get your wife a modern step-saving kitchen, feed your kids the latest vitamins, and whatever else we are told we must have to maintain our way of life.

If we do not have most of these things within the reach of our working people the rest of the economy will fall flat on its face.

Without wages to carry this marketplace load, the professional individual, the banker, and the press, all service industries and businesses will die on the vine.

I will always remember my early youth in a small coal mining and brickmaking community on the banks of the Allegheny River in western Pennsylvania. The history of this town is a case in point.

This was a normal, small American town with its professional services, elected officials, its lawyer, doctor, barber, shop, its hotel, stores, railroad station and telegraph office, with its painters, plumbers, and the tradesmen that are usually found in a going community.

Its community of 400 or 500 families prospered because the coal mine and clay mine provided payrolls which fed the whole economy. Then one dark day the mine shut down, the payroll stopped. In a short period of time, all commerce and business stopped. I recently visited this site, and nature has again taken over—there are no houses standing, no business places, and no people. The years have erased all of the things that once marked a thriving community. The town was a ghost town.

This then points up clearly and vividly that tradesmen, professionals, Main Street and Back Street cannot survive on their own. There must be production, because production produces payrolls, and payrolls produce prosperity. This lesson I have never forgotten, without production this town died and I am convinced that without production this Nation will die.

Somewhere, somehow, we have been sold a bill of goods. We are told that trade means peace and therefore even if it means unemployment, hardship, foreclosures, and shutdowns, it is worth it. Up to a point any sane person agrees.

However, will the results be what we are told they will be, or will the greedy, mercenary profiteers of other countries contrive to take advantage of our softness and further flood this country's domestic market with low-priced goods made by low standard wage earners and in most cases, from American designs and all too often bearing American trade names.

I cannot conceive of anything more damaging than to keep up this idiotic program that allows a nation like Japan to embargo the import of automobiles into the country while at the same time, dump their cars onto the American market, or for England to embargo turbines and generators while selling to our own Government agencies.

Again, we find Mexico putting an embargo on many products such as piston rings, forcing American companies like Perfect Circle to buy into their domestic industries in order to market their products in that country.

I mentioned Perfect Circle, and its Mexican experience; for the record I present the full story as well as a little noted item about the prosperity of the London stock market while the American market continues its erratic but definitely downward slide. The stock markets of Germany, Italy, Japan, and Belgium and other beneficiaries of our national trade suicide policy are reported doing well.

PERFECT CIRCLE TO BUY 45-PERCENT INTEREST IN MEXICAN FIRM

CHICAGO.—Perfect Circle Corp., Hagerstown, Ind., piston ring manufacturer, announced it has entered into an agreement to purchase 45 percent of the stock of Engranes y Productos Industriales, Mexico City, for ap-

proximately \$800,000. A Perfect Circle spokesman said about two-thirds of the purchase price will be paid in piston ring manufacturing machinery.

The Mexican firm will be licensed to manufacture and distribute Perfect Circle piston rings and other products in Mexico, W. B. Prosser, Perfect Circle president, said in the announcement. A meeting of Engranes y Productos Industriales stockholders has been called for August 28 to ratify the agreement and to change the name to Industrias Perfect Circle S.A. The firm will continue to produce hydraulic automobile jacks, irrigation pump parts, and other replacement parts, according to the announcement.

A spokesman for Perfect Circle said the move was made because the Mexican Government banned piston ring imports. The company had planned to begin production in Mexico at some future time, but had to accelerate its program because of the governmental order cutting off the imports, he said.

He said the company had been forced to make similar moves in Argentina and Brazil when those nations closed their borders to the company's product.

All the way up and down the list of imports we find examples of restrictions, high tariffs, and outright embargoes against American-made goods.

This country prospered so long as it was a Democratic-capitalistic system of operation, but it is fast becoming a purely capitalistic system which cannot survive in free competition with nations that have no governmental mandated costs of production such as social security, unemployment compensation, exorbitant taxation, both personal and business.

In line with the above editorial, it might be good for all of us to take stock before we vote for H.R. 5, which will open the floodgates of American investment in foreign countries, and in a few short years, the domestic market will be lost completely to American-made goods.

What is our interest—American made goods, or American financed goods?

How long will the foreign worker allow himself to be exploited by American absentee investors?

Will we be building goodwill, or will we be sowing the seeds of discontent, distrust and instead of promoting peace will we unwittingly be harvesting a crop of bloodshed, devastation, and catastrophic war?

In a recent survey of the results of our ill-advised 4-year extension of the nonreciprocal Reciprocal Trade Act, we find the following very brief summary of results in just a few of the affected fields of production.

These statements of facts and logic have been given on the floor of the House, on the air and in many of our leading periodicals and newspapers.

Many Members of Congress are becoming aware of the seriousness of the situation and there is unrest and doubt never before so apparent amongst the membership.

Many of us wonder whether Congress was wise when it abdicated its constitutional prerogatives and turned over to the President the tariff and duty making powers which rightfully belong to Congress.

ESCAPE CLAUSE BOX SCORE

"Oh, but industry does have an official remedy," exclaims the liberal-trade enthusiast to import-wounded industries. But let's ask the man who sought one. Here's the January 1954 to May 1959 record:

Industries seeking remedy from Tariff Commission.....	45
Remedy denied by Commission.....	19
Remedy recommended by Commission to President.....	126
But denied by him.....	17
Remedy granted by President.....	8
But drastically diluted by him.....	6
Full recommendation granted (out of 45).....	2

¹ 1 in process.

FOREIGN CARS

Japan's Batsun, plastic-body sports car, speed of 86 miles per hour, now in order-taking stage and slated soon for United States market. Also targeted for United States is their tiny Subaru-360 at \$1,100.

European-English cars captured 17 percent of Canadian market first 5 months of 1958; now up to 23 percent for same period in 1959. Imports here running about 10 percent of market.

SHIPPING BOTTOMS TAKE BEATING

U.S. shippers' share of American foreign commerce had rough sailing since World War II (military excluded):

Year:	U.S. share (percent)
1946.....	68.0
1951.....	43.0
1952.....	35.0
1953.....	30.0
1954.....	28.0
1955.....	22.0
1956.....	20.0
1957.....	18.0
1958.....	13.0
January 1959.....	18.7

¹ Latest.

BINOCULARS

Jap binocular industry, principally geared to U.S. market, produced over 1.5 million units in 1958; United States purchased two-thirds of total output.

TYPEWRITERS

Nineteen million nine hundred thousand dollars of imported typewriters and parts in 1958 outstrip U.S. exports of \$14.7 million first time in history.

CAP IMPORTS

National Cap and Cloth Hat Institute, joint labor-management group, seeks escape clause action to increase duty on Jap caps. Self-imposed Jap annual export quota of 15 million caps too large for U.S. market to absorb without serious damage, reports Institute. Comparative prices: Jap caps, 20 cents; U.S. caps, \$1.

CLOTHING WORKERS CONCERNED

Amalgamated Clothing Workers of America, formerly strong trade agreements supporters, adopt resolution attacking destructive imports. Cite "cutthroat" competition in every branch of male apparel threatening thousands of jobs. Knit glove industry well on the road to destruction, as imports now 250 percent of U.S. production.

COPPER AND BRASS

Copper & Brass Research Association's study of causes in decline of domestic brass mill industry reveal: First year after sharp tariff cuts, imports multiplied 42 times preceding year level; imports almost 100 percent of U.S. tubular plumbing goods market; U.S. industry in 1958 operated less than 45 percent of 1943 capacity; United States converted from exporter to importer of brass mill products.

WESTERN EUROPE'S GOLD MOUNTS

Gold and dollar reserve holdings in Western Europe increased from \$7 billion in 1950 (December) to \$18 billion in 1959 (March).

LUXURY LINER LAMBS

Indicative of price differential in foreign-U.S. competition was arrival at San Diego of 30,000 Australian lambs on converted luxury liner Wesoraria. Estimated delivery price: \$10 a head or half of U.S. price. Importer's yearly goal: 100,000 head.

STEEL: "THE BIG SQUEEZE ON LITTLE STEEL"¹

"In 1957, the United States exported 5.2 million tons of steel-mill products, and imported 1.1 million tons. But this ratio of almost 5 to 1—in favor of steel-mill exports—dropped to less than 2 to 1 in 1958, when exports fell to 2.7 million tons, and imports reached a high of 1.7 million tons (1959 steel imports running double U.S. exports. NWC).

"Because of these developments, we appear to have lost much of our foreign market, and a portion of our domestic market is in jeopardy. For example, the United States exported 721,000 tons of semi-finished steel in 1957. This dropped to 124,000 tons in 1958—a decrease of 83 percent. Exports of structural shapes decreased from 453,000 tons in 1957 to 292,000 tons in 1958, while exports of plates declined from 604,000 tons to 249,000 over the same period—a drop of 59 percent. Exports of tinplate, an item in which the United States has long had a preeminent position, fell from 538,000 tons to 244,000 tons—a decrease of 54 percent. * * *

"In the domestic market we are at a competitive price disadvantage in such products as rods, barbed wire, nails, reinforcing bars, and other items. * * *

"Within the past year or so, a number of specialty wire products have arrived on the American market in alarming quantities. * * *

"These are facts. * * * The American steel industry in certain areas is no longer competitive with the rest of the world."

U.S. AUTO EXPORTS-IMPORTS

Since 1955, U.S. auto exports dropped 50 percent, from over 200,000 annually to expected 100,000 in 1959. * * * 370,000 foreign car imports sold in United States in 1958; present rate indicates 600,000 this year.

UAW AROUSED

A. J. Mattes, president of local 239, UAW, wrote Baltimore Mayor Grady that over 300 General Motors workers in that city were laid off and remaining 1,500 are working less than 40 hours a week because of increasing number of foreign car imports. Thirty-five thousand autos imported via Baltimore the first 5 months of 1959 could have given employment to 2,500 workers at Chevrolet plant there, working two 8-hour shifts for 13 weeks.

AUTO PRODUCTION ABROAD

Daily output at Fiat's Miraflore Works over 2,500; Volkswagen heading for 3,000 at Wolfsburg. Plymouth's mammoth Detroit lines turns out 1,100 daily; Rambler at modern Kenosha plant about 1,600 units.

ELECTRICAL EQUIPMENT

Florida Power & Light Co. ask foreign producers of heavy electrical generating equipment to bid on two 200,000-kilowatt steam turbogenerators * * * probably first effort by foreign manufacturers to penetrate private utility market, following successful efforts on Federal-State projects. Domestic firm salvaged contract on basis of delivery date.

¹ Excerpts, address by A. F. Franz, president, the Colorado Fuel & Iron Corp., to American Iron and Steel Institute, New York, May 28, 1959.

TURBINES

English Electric bids 30 percent under nearest American competitor to win Army Engineers' contract for eight hydraulic turbines for Big Bend Dam, S. Dak.

SEWING MACHINES

Brief filed with Tariff Commission reveals foreign sewing machine manufacturers now control about 75 percent U.S. market; e.g., U.S.-imported Jap machines up from 64,000 in 1950 to about 1 million in 1958.

WATCHES

Ranks of American watchworkers steadily reduced from 16,000 to 6,000 employees as foreign imports take 70 percent of annual domestic market; or 14 million out of 20 million units.

THE GOLD FACTS

United States now has \$19.6 billion in gold, smallest reserve in over a decade, but foreign organizations and individuals have dollar claims of \$15.1 billion against reserve.

TUNA FLEET

Imports of Jap tuna reduced ranks of San Diego's tuna clippers to 125 ships from 1952 high of 214. Sales sliced from about \$40 million in 1954 to expected \$19 million this year.

U.S. MANUFACTURER LITERALLY LOSING HIS SHIRTS

National Association of Shirt, Pajama, and Sportswear Manufacturers went on record opposing State and Commerce Departments' representations on behalf American business and declared in favor of congressional regulation of foreign trade. Shirt imports from Hong Kong-Japan alone totaled 1.75 million dozen in 1958, equivalent to \$15 million in U.S. wages for 6,000 American employees.

TOURISM: DOLLAR SOURCE

Frequently overlooked as dollar source for foreign nations is tourist industry; Americans spent \$2.1 billion on foreign travel last year * * * 10 percent jump from 1957.

STEEL: "WHAT'S BEHIND THE RISE IN FOREIGN COMPETITION?"²

"Let me cite the predicament of one American industry. * * * The industry is that which makes table flatware * * * and recently stainless steel ware. * * * This is a new industry in Japan; flatware such as we use is not used generally in Japan.

"By 1955, imports had reached 3,134,000 dozen against U.S. production of 14,654,000 dozen; * * * in 1958, Japanese imports amounted to 8,444,000 dozen, with U.S. production of 14,740,000 dozen. * * *

"While this rise in imports was going on, the gentlemen of GATT progressively reduced tariffs.

"The big reduction was made in 1950 but further reductions were made in 1956, 1957, and 1958, after this industry had really been hurt.

"Japan, fearing action by the United States, voluntarily announced a quota limit to the United States of 5,500,000 dozen for 1958. * * * Up to this time, this industry has been given no relief and employment is off 25 percent. In spite of the announced quota of 5,500,000 dozen, 1958 imports were 8,444,000.

"The time will soon be here when we have completely lost our entire export business in steel, except for a few specialty items which are not made elsewhere."

You will note the seriousness of the situation by taking time to read further on the new and mystifying attitude of American business, bankers, and leading administration leaders in Washington.

² Excerpts, address by W. H. Diewel, senior vice president, Crucible Steel, to the American Management Association, New York, May 20, 1959.

One wonders if they understand the philosophy behind reciprocal trade, foreign aid, and mutual security aid that seems to have perverted by profit-seeking individuals and corporations that have found Government sponsorship for running away from national taxes, high wages and national responsibility.

Now let us look at another serious threat to American economic well-being and the wide-open deception being practiced upon the American consumer by well established American producers.

Lately the following announcement appeared in the magazine *Business Week* August 22, 1959, page 56:

TRANSISTOR-RADIO MAKERS WILL MARKET JAPANESE MODELS UNDER U.S. LABELS

In the past year, the U.S. electronics industry has watched Japanese manufacturers grab more than half the market here for transistor radios—largely by sales under Japanese labels. Now, some companies have decided to meet the foreign competition by marketing Japanese-made radios under their own U.S. trade names.

Latest transistor-radio manufacturer to join the importers is big Emerson Radio & Phonograph Corp. Through its international marketing subsidiary, Emerson has concluded an agreement with Tokyo's Standard Radio Corp. to import 100,000 radios in coming months. Emerson officials say it is making the move because Japanese companies are making radios and parts too small to be produced competitively in the United States. Emerson, which will sell the imports under its Jefferson Travis label, follows Motorola, Inc., as the second big radio maker to move into the Japanese import field.

Meanwhile, Tokyo's Ministry of International Trade & Industry is spurring Japanese efforts to make electronic computers. MITI plans to sponsor a company, 50 percent privately owned—to produce 50 computers next year, and more than that in each succeeding year.

We will soon find ourselves with shelves full of foreign made "American brand" goods that will defy detection by even an expert, let alone an innocent housewife buying in the American marketplace.

She may well be buying a Japanese-made product labeled by the company that has just furloughed her husband.

It will not be long now before the people in this country awaken to what is happening and the repercussions in the political field will shake the foundations of our democracy.

It is one thing to talk peace, but it is another to deprive an American workman of his right to earn a living while at the same time profits are not impaired, but in fact, are increased.

The steel strike is a case in point. While our bankers are pressing the crown of gold upon the brow of labor, the foreign producers, in many cases with American money, American machinery, American know-how and American connections for marketing, are running wild.

The following appeared in an August 1959 issue of *Business Week*:

FOREIGN STEELMAKERS BOOST OUTPUT, ENLARGE THEIR SHARE OF WORLD MARKET

With the steel strike in its 6th week, executives of the struck U.S. mills are closely watching the speedy progress of steelmakers in Western Europe and Japan. Foreign steel companies are boosting their share of

world steel markets—including the United States.

Steelmakers in West Germany and Japan are enjoying the liveliest boom. But steel output is also curving upward in France, Britain, and Italy.

In West Germany, steel producers are headed for a new output record of more than 30 million tons. Renewed capital investment and machinery exports have helped boost demand this year.

In Japan, the industry has been setting records all year, thanks to rising exports and a capital spending boom. With production likely to top 15 million tons this year—about 2 million tons over 1958—Japan threatens to displace France as the world's fifth largest steelmaker. Some of Japan's steel companies are getting ready to ask the World Bank for loans for a \$300 million expansion program to raise capacity to 25 million tons in 1965.

In Britain, steel output has reached 80 percent of the industry's 26 million ton capacity. While investment still remains low, an upsurge in autos and appliances is adding to steel consumption. Auto production, in fact, has been gobbling up steel so fast that a shortage of sheet is feared.

In France, steel production has climbed almost 5 percent above last year's record level. Aided by devaluation, the French industry has managed to improve its share of Europe's growing steel market by being able to offer lower prices.

In Italy, steelmakers also enjoy expanding sales because of the Common Market. One sign of expansion is the government's proposal to establish a new 1-million-ton steel plant in southern Italy.

This picture of steel production is not, as proponents of the Reciprocal Trades Extension Act say, an isolated case. Rather than being the exception, it is becoming the rule. Let us look at another portion of the record contributed by many members, including WILLIAM JENNINGS BRYAN DORN, from South Carolina:

Steel imports are increasing at a fantastic rate. So are imports of glassware, pottery, chemicals, machine tools, textiles. In fact, every job in America today is threatened by unfair imports from foreign countries.

The farmer is likewise a victim of our unfair trade policies. Some years ago we exported a large portion of our wheat crop. American wheat was in demand beyond the seven seas of the world. We exported 60 percent of our cotton crop. At one time we exported a vast portion of our tobacco crop.

We were once the only nation in the world that grew tobacco. But under this trade program in Washington today the American farmer grows less and less, surpluses pile up while foreign countries grow more and more. For instance, in Canada the average tobacco farmer can plant 30 acres of tobacco, in Rhodesia 65 acres. But in the United States our farmers can plant an average of only 2.9 acres. They are not permitted to expand and grow in the American tradition.

Many cotton farmers in the United States can plant only 4 acres of cotton. No farmer can possibly clothe, feed, and educate his children on such an unbelievable income. There is distress in our land today by reason of our unfair foreign trade policy.

In foreign countries, farmers are often exempted from land taxes if they will grow more farm products, such as in Rhodesia. Turkey has exempted certain of her farmers from income taxes if they will grow more. Yet we have billions of dollars' worth of farm surpluses piled up in warehouses costing the taxpayers millions of dollars.

We need to free our farmers so they can plant more and have an equal opportunity with farmers in foreign nations. We need more foreign markets, not less. We should

sell more cotton and wheat abroad, not less and less.

It is the duty of the State Department, the Congress, and the President to give to the American farmer and the American worker the same advantages and protection as offered by foreign countries to their farmers and workers.

There is nothing reciprocal about our present so-called reciprocal trade policies. There is no "sip" in it for the American worker nor the American farmer.

No one would ever dream of asking Brazil to import coffee, nor India to import tea, nor Honduras bananas, nor the Malay States rubber. Yet the one-worlders, the dreamers, and idealists running our present trade program are demanding that we import textiles, steel, and automobiles. How ridiculous can we get?

UNFAIR IMPORTS LAYING AMERICA WASTE

The original idea of reciprocal trade was to sell automobiles, textiles, steel, wheat, and cotton to the other countries of the world and buy tea, coffee, rubber, cocoa, and products we need. Never before in the history of the world has a nation been required to import things it already has in surplus. Unfair imports have created disaster areas, ghost towns, unemployment, and distress.

Many foreign nations do not permit American automobiles to be sold in their countries. But, they sell theirs here. They put on import quotas which eliminate the sale of American products, but, at the same time, they demand that our State Department and the U.S. Government lower its tariffs and permit their goods to flood this country.

Those products we produce in surplus and those traditionally American should be protected by import quotas. These jobs should be saved for American workers and farmers.

This trade policy of the State Department is a foreign aid program. It is not designed to help the American farmer and the American worker. It is designed to help the foreign worker and the foreign farmer.

Along with the taking of the American worker's job and the farmer's acreage, we are being forced to pay the highest taxes in the history of the world to support a stupendous foreign aid program.

Yes, my friends, 43,000 employees to show the world how to make automobiles, how to make steel, how to grow cotton, how to grow wheat, how to grow tobacco. Technicians to show them how to pack it and ships to haul it to America in competition with the products of the American worker.

Incidentally, it takes 37½ percent of our foreign aid appropriations to pay our employees' salaries and expenses to give away our money.

They talk in Washington about \$70 billion foreign aid. It is nearer \$200 billion, starting before World War II in the form of lend-lease and other such programs.

The free traders and one-world State Department striped pants boys are saying that foreign aid must continue for 50 to 100 years. They go further than that and take your money, ladies and gentlemen, to build steel mills, automobile plants overseas, and then turn around and give these people free water and free electricity and guarantee them a profit.

During the debate last year in Congress on foreign aid, it was brought out that the American foreign aid representatives went to the leaders of the textile industry and asked them to go to Indonesia and other countries of the world and build textile plants—telling them that no risk was involved, profits could be guaranteed with cheap labor, Government water and electricity, all of this furnished by the American taxpayer indirectly.

In other words, just close your American plants, fire your employees and we'll help you set up overseas where you can get cheap

labor. Our textile people are loyal, patriotic Americans who believe in their workers. They want to keep their factories and jobs at home, so, in the main, they have refused these attractive offers.

I understand that some of the great manufacturers who came to Washington last year and participated in the President's conference favoring these unfair imports are now expanding their plants overseas and are bringing these goods made with cheap labor back to the United States. But, this does not help the American worker, nor the small businessman. They cannot move overseas and compete with this cheap labor. The only alternative for our laboring people is unemployment and breadlines.

Exports of machine tools have fallen off from 30 percent of U.S. production to 10 percent. In 1954, the United States imported 656,000 barrels of oil every day. In February of 1959, daily imports totaled 1,626,000 barrels daily. Yes, our great oil industry is being threatened.

Foreign nations pay their workers such a low wage that our lead, zinc, mercury, coal, copper, tungsten, iron ore industries are being threatened by floods of imports from abroad. The same applies to the glassware, sewing machine, camera, and typewriter industries.

IMPORTS PILE UP—EXPORTS DROP

The plywood industry is in serious trouble. Hardwood plywood imports from Japan, for instance, have increased from 1½ million square feet in 1951 to 659 million square feet in 1958. This is an increase of 12,950 percent. During the same period, domestic production declined even though domestic consumption more than doubled.

In 1956, the United States imported 107,000 foreign cars, and 400,000 in 1958. Present indications are that imports will run between 500,000 and a million this year. For the first time in history, we are importing more automobiles than we are exporting. This is shocking when we stop to think that the automobile industry first started in the United States.

The textile industry of foreign nations is expanding with American aid, while we have 345,000 unemployed textile workers and 300 closed textile mills. The Japanese can buy American cotton 7½ cents per pound cheaper than the American manufacturers can buy the same cotton. Then, the Japanese are permitted to send that same cotton after it is made into cloth back into the United States in competition with that of the domestic manufacturers.

In 1947, the United States exported \$748 million worth of textiles and imported only \$24 million worth. In 1955, under this fallacious trade program, textile exports fell to \$242 million; while imports increased to \$125 million.

Under the proper trade program our people should be employed. We should be selling these products abroad and we should be helping foreign nations by buying coffee, tea, cocoa, rubber, and those products we need. This is true reciprocal trade. Our present trade policy is a trade program for the benefit of foreign workers and foreign farmers. Foreign aid takes money from American farmers and workers. Our trade policy takes his job, too.

The idealists in the State Department tell us that we must buy from foreign countries in order to stop communism. America is the heart and core of the free world and has been the arsenal of democracy. If our industries are liquidated and our workers unemployed, I fail to see how this can stop communism.

If industry is built up with American money around the borders of Russia where it can be grabbed by the Red army or bombed by the Red air force, I do not see how this can stop communism.

On the other hand, it will help communism by weakening America and by building up those areas which the Communists can take over. One American worker and one American plant in the United States is worth more than a dozen within a day's march of the Red army.

What can we do about all of this? I am thankful that we live in America where we can vote for our President and our Representatives in Congress. Next year is election year.

The foreign aid program just passed the Congress. The so-called reciprocal trade program passed last year, for 4 years. The only hope we have to save our jobs, to save our industries, to save our farm acreage and domestic markets is to participate in the political elections of 1960.

We must start now at the precinct levels in both political parties to organize so that our program can be properly considered. A strong plank must be adopted at both national political conventions that will save the American worker, save the American farmer, save the American businessman from unfair foreign imports.

To accomplish this, a better trade and foreign aid program will have to be brought up at the precinct level, at the county and State conventions, and at the national conventions.

The time has come to put back into Congress the power to set tariffs and quotas.

An interesting observation that further peels away the false cover of the "trade for peace" slogan is contained in this excerpt from a Life editorial of recent date:

The public might better play along with Blough, who at least offers a way to keep prices level. His terms for this promise—no White House intervention—are a good idea anyway this year. Previous steel strikes, especially that of 1946, occurred in a chaos of price movements when nobody knew where the value of the dollar ought to settle. In all that yak, the White House had a right to the last word (Life, Feb. 4, 1946). Not so now. There is a well established world market for steel in which the U.S. industry is being pushed competitively not only by foreign steel but by other metals. Hitherto a prime source of inflation, the steel industry has discovered it can no longer afford inflation, and its battle is therefore more nearly the public's battle than hitherto. If it takes a long, tough strike to put Roger Blough and Co. in a position to keep steel prices down and meet their market, then a long, tough strike it should be.

One wonders if Life has bothered to look at the income angle, as well as the wage angle.

I will give you three figures from the Secretary of Labor Mitchell's report on Steel Facts and let you draw your own conclusions:

Wages of production workers:	
1950-----	\$32
1959-----	44
Per ton figures, wages, and executive salaries:	
1950-----	\$40
1959-----	58
Price of steel:	
1950-----	\$129
1959-----	173

You be the judge as to whether labor is driving steel business away or rather that profit is the culprit. Profit earned here and abroad.

One cannot in one breath talk American and in the other buy foreign.

Trade is a two-way street, but we are only traveling one way, into international oblivion.

A record of trade that leaves out the reciprocity. The following detailed account gives a rather dismal picture of the increasing problems Americans are facing every day in the field of foreign trade:

In March of this year our imports reached a record high level above any previous month in our history. In June the March record was surpassed. Also in June our imports exceeded our commercial exports. The first half of 1959 saw our imports run 18 percent ahead of the first half of last year.

Our exports on the other hand have declined. In 1958 they dropped 16 percent from the preceding year and during the present year they have declined roughly another 5 percent.

These trends are being explained by liberal trade proponents as being temporary and abnormal. They say that the high imports this year are swollen by heavy steel imports attributable to the steel strike, the popularity of the small foreign automobile, and several other extraordinary factors. When the steel strike is settled and when the domestic automobile industry brings out its so-called compact car, imports will presumably level off. Last week Assistant Secretary of Commerce Henry Kearns in a press conference expressed the opinion that our exports would rise; and he doubted that we have priced ourselves out of foreign markets.

As for exports, the freer-trade apologists expect cotton exports to spurt and jet plane shipments to zoom, and thus to raise the export level.

If we examine these explanations and hopes we find that even though steel and automobile imports have risen, coffee and petroleum imports, which are among the highest of all, have suffered a decline in dollar value. If coffee prices rise this year imports will again loom larger. Also, it may be questioned whether steel imports will fall substantially after the strike. They began rising over a year before the strike was called and price comparisons with the foreign product would indicate a continuation of imports at a level considerably higher than in the past. If a judgment can be based on the experience with other products, imports that have a distinct price advantage will continue to increase; and steel should be no exception.

The same reservation applies to the small foreign car. It may be found that imported cars have established a market for themselves that will not readily yield to the smaller American car. Of course, even if the automobile industry, with its mass production techniques, should succeed in stemming the import tide without resort to import restrictions, this would offer little comfort to other industries that do not possess the vast resources of this giant among American industrial wonders. The test even with automobiles, however, is still to be met.

It should also be pointed out that the petroleum imports that helped swell the total import volume for the first half of 1959 began to decline after March when mandatory import quotas were established. This again would indicate that total June imports of all products were not abnormally high. Petroleum and coffee imports, both of which were down from previous levels, have been the No. 1 and No. 2 imports in dollar value for several years. Therefore the increased steel and automobile imports that are used as explanations to account for the surge in our total imports

do not of themselves succeed in making the high import levels of recent times abnormal. They are offset by declines elsewhere that may be of a temporary nature. Moreover, high steel and automobile imports may continue.

That exports of cotton may increase seems assured with the increase in the export subsidy that went into effect August 1. Such an increase in exports will, however, be an artificial rather than a normal and healthy expansion, since the subsidy amounts to about 30 percent of the price. An increase of this kind should not be counted as a sound commercial development nor should the upward surge be listed as reflecting the capacity of the American economy to compete in the world market—quite the contrary in fact.

The anticipated increase in plane exports may also help to boost exports. This is expected to be in the magnitude of \$400 or \$500 million per year and will represent commercial exports. However, a sharp decline has been registered in coal exports within the past year, and this does not appear to be headed toward a reversal. An increase in exports in some other field, such as the expected rise in sales of planes abroad will indeed be needed to offset this loss.

Steel exports have recently been exceeded by imports at a ratio of 2 to 1 or more. This is a startling development. In 1958 imports of typewriters for the first time also exceeded our exports. In many other fields, such as electronics, sporting goods, fishing tackle, cameras, sewing machines, farm tractors, etc., imports have increased sharply. Machine tools have also had the experience of increasing imports and falling exports; and this is very significant because machine tools are of themselves sources of technological development. Greater self-sufficiency abroad, as indicated by the decline in our exports, combined with the ability of other countries to export machine tools to us, are more than straws in the wind to be blown out of the way by the words of Assistant Secretary Kearns.

In the textile field exports have been declining for several years while imports have risen greatly. The trend to higher imports was halted, temporarily at least, by inducing Japan, the principal source of imports, to impose export restrictions on her shipments to us. That such restriction was necessary in order to save the domestic industry demonstrates once more the weak competitive position in which we find ourselves in the foreign field.

It should be clear enough all around that the increasing imports since 1957 plus the decline in exports since that time reflect, not an abnormal and passing condition, but bespeak yet greater competitive trouble for many of our domestic industries in the future.

There is yet further evidence of the uncomfortable position in which the United States finds herself in the foreign trade field. In 1958 we experienced a deficit of \$3.4 billion in our total foreign account even though our merchandise exports exceeded our imports by more than \$3 billion. Actual gold shipments abroad covered some \$2.3 billion of this deficit. This drain on our gold has continued through the first half of 1959 during which period we lost another \$955 million in gold. Our gold stock in Fort Knox has fallen below the \$20 billion mark, the lowest level since 1940. The National Foreign Trade Council recently estimated a deficit of nearly \$5 billion in our total foreign account for 1959.

The foregoing facts will not be vaporized by glib assurances of the freer trade elements. The latter seemingly have lost their contact with reality.

There is much else beside the statistics of imports and exports and figures on gold drain and falling U.S. gold reserves that should indicate even to the blindest that the United States has come into a highly vulnerable competitive position in the world. Even our great mass production industries, these giants that have been in the technological forefront and in the vanguard of automation are now finding themselves beset by a competition that is beyond their reach.

There should be no element of surprise in this at all. Other countries have imported or otherwise obtained from us through foreign aid approximately \$30 billion of modern machinery in the past 11 years, \$21 billion of it in the past 6 years. Installation of this machinery abroad has brought with it a great boost in foreign productivity. During these same years in the neighborhood of 10,000 foreign productivity teams have been given access to our factories.

The increase in foreign productivity, while uneven, has obviously been startling in many instances. Modern machinery superimposed on a low level of technology or primitive machinery, as has happened in many foreign production centers, has meant a boost in productivity not experienced in this country. We have saved a number of countries a generation of research and development by making available to them our latest technology.

This is not said by way of complaint; but we should at least have sufficient insight to comprehend the probable consequences of our policies. The echoes are now coming in from many directions.

Not least among our difficulties is the fact that foreign labor unions have yet far to go to equal ours in bargaining capacity. They are hobbled psychologically no less than ideologically. Therefore increasing productivity shows up in lower costs abroad more readily than in this country.

Not only is the trend in our trade in the past 18 months not abnormal; the competitive situation on which it is based is not a superficial one. The cause is deep seated and was long in the making. The higher costs of production in many of our industries compared with foreign costs are the result of developments that will not be undone overnight. In seeking to adjust to them an increasing number of our industries have been arranging for foreign production. Some of them have established branch plants in other countries; others are in the process of doing so and still others are studying the possibilities. In other instances licensing arrangements are made with foreign producers whereby our patents are made available on a royalty basis. Then again some of our companies have bought foreign concerns outright or purchased a substantial interest in them. Others are still shopping for production facilities in a number of countries.

The purpose is to gain the advantage of lower wages and thus to become competitive in foreign markets. In some instances as in the case of automobiles, tractors and typewriters, the foreign branches or subsidiaries ship the foreign-made product into this country itself. Principally, however, the purpose has been to hold the export position or rather to make up for the loss of exports by supplying foreign markets from foreign sources.

This trend toward partial emigration represents an adjustment by our industries to the competitive facts of life. As imports encroach on the market in this country and deprive our own industries of ever increasing shares of their accustomed market, industry is driven abroad as a matter of self-defense. Since capital has mobility this is not only a possible move but in many in-

stances an unavoidable and sometimes a profitable one.

What is wrong with it?

There is nothing wrong with the self-defensive movement of itself; but there is something disturbingly wrong with the conditions that have brought forward this type of economic defense as a competitive necessity.

It is often said that we have priced ourselves out of foreign markets. This may be admitted without placing the blame on any particular factor of the domestic economy. Many will say that it is our high wages; but it would be just as easy to say that foreign wages are too low. Certainly heavy contributing factors of our high costs are the war expenditures and postwar defense outlays, the heavy national debt, price supports for agriculture, social security, etc. Our wages are admittedly high but we should not overlook the fact that they provide the tremendous purchasing power that has kept our economy at a high level. If foreign wages were higher than they are in relation to foreign productivity our higher wages would not create a competitive disadvantage, such as is now the case.

If foreign wages could be increased our competitive troubles would disappear; but there is no present method that can be employed by us to accomplish this objective immediately or very soon.

The question then arises what can be done.

There are those who, though recognizing the difficulty, say that tariffs are not the answer; and, of course, tariffs are not the complete answer. They say that we must invent and modernize and sell more vigorously; we must mechanize all possible production and in general become more efficient.

All these years we had been told by the liberal trade advocates that we were in the forefront in technology, productivity, know-how and efficiency. Now, it appears, this is no longer true and we need to buckle down to hard work, take in our belts and reinvigorate our economy. Very well, but other countries are mechanizing too, and since they have a lower starting base they can easily outstrip us in raising their productivity. They too are buckling down and inventing and selling. Moreover, we are still assisting some of them technologically and financially and putting our techniques at their disposal.

The prospects are not bright for a pull-away by this country. Not at all. The other countries now have all that it takes to catch up with us, including the creation of mass markets. The question is how their catching up is to be accomplished. Must we be torn down in the process, or can we hold our own while the other countries come up?

We need a holding defense. This can best be contrived through a combination of tariffs and quotas, by the use of which suitable shares of our market can be opened to imports while reserving the remainder for ourselves. We can thus recognize the need for a high volume of trade without placing our industries on the sacrificial block as pawns in the shifting currents of international politics.

American industry is exposed competitively to imports to a degree not previously experienced. Our defenses are down, with an average tariff protection about 80 percent below the level of 25 years ago; and there is virtually no remedy today against injury from low-cost imports.

For these and other reasons it would be high folly to consider the present foreign trade situation as a passing phase of an abnormal development. Most of the pointers indicate otherwise. Therefore, we should prepare for what appears to be ahead.